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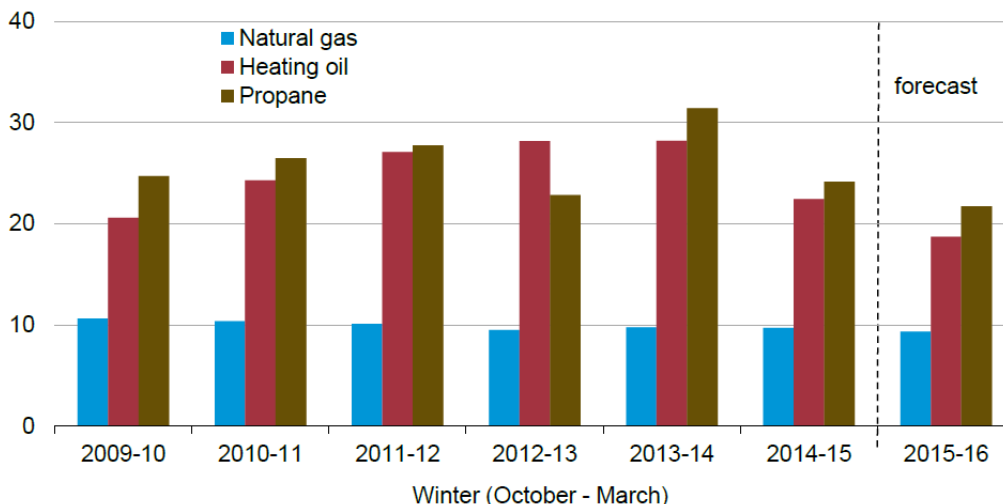
## **Heating Fuel Prices Creep Higher this Week; Forecast Predicts Lower Average Costs Nationwide this Heating Season**

Augusta, Maine – The Governor's Energy Office (GEO) conducted its weekly heating fuel price survey on Monday, October 12, 2015, and found the current statewide average cash price for No. 2 heating oil was **\$2.04 per gallon**, up three cents over the last week. Average kerosene and propane prices were similar; the average statewide kerosene price this week was \$2.60 per gallon (two cents higher), and the average statewide propane price for heating customers was \$2.18, also up three cents since last week.

Although average prices have increased several cents per gallon over the last two weeks, price forecasts for all fuels are lower prices this season. In the chart below, the Energy Information Administration projects 4-15% lower fuel prices for the nation's 2015-16 heating season.

Heating oil prices are forecast to be 15% lower than last winter, propane prices are forecast to be 10% lower, and natural gas prices are forecast to be 4% lower

U.S. average residential winter heating fuel prices  
dollars per million Btu



Source: EIA Short-Term Energy Outlook, October 2015.

It is important to note that these prices are nationwide averages; natural gas costs in Maine are higher due to constraints in natural gas pipeline capacity serving the region.

Using this week's average heating oil price (\$2.04), and converting to a common heating unit value (million Btu), the price of fuel oil is \$14.71. This compares with an equivalent heating unit value for natural gas of \$11.60 (at \$1.16/therm); propane, \$23.87 (at \$2.18/gallon); kerosene \$19.26 (at \$2.60/gallon); wood pellets, \$15.39 (at \$254/ton); cord wood, \$11.36 (at \$250/cord) and electricity (electric baseboard), \$38.10 to \$55.69 (at 13-19 cents per kwh).

However, fuel-only prices are only part of the calculation when determining which fuel will save you more this heating season. The type of heating system, as well as its efficiency, needs to be factored into the estimate. For example, the electricity cost is for traditional baseboard heat. Other electric heating technologies, such as heat pumps and electric thermal storage (ETS), may offer consumers energy savings. Cold climate heat pumps, a recent technological advancement, are much more efficient than baseboard electric heat, so total energy costs are lower than many other types of heating fuels. ETS offers savings by utilizing off-peak electric rates, available in many areas of the state.

The Energy Office has a calculator on its web site that allows consumers to obtain more detailed estimates of home heating costs, and the price impacts of various types of fuel, heating systems and heating appliances. Heating costs vary considerably from home to home. The home heating calculator can assist homeowners in finding the best heating option for their home, location, lifestyle, and budget <http://www.maine.gov/energy/index.html>. Efficiency Maine also has a calculator on its website that can help consumers evaluate their heating options <http://www.energymaine.com/at-home/home-energy-savings-program/heating-cost-comparison/>

*As of October 12, 2015*

Heating Oil	Statewide	Southwest	Central	Eastern	Western	Northern
Average	2.04	2.00	2.09	2.07	1.95	2.16
High	2.50	2.40	2.20	2.50	2.16	2.20
Low	1.80	1.80	1.90	1.80	1.80	2.10
<b>Kerosene</b>	2.60	2.73	2.55	2.54	2.52	2.56
<b>Propane</b>	2.18	2.24	2.07	2.17	2.16	2.32

The price for heating oil is a statewide average; prices in a given geographic region of the state may be considerably higher or lower than this average. This week, within the Energy Office sample, the highest heating oil price (\$2.50) was found in one region in the state, and the lowest heating oil price (\$1.80) was recorded in three regions. Also, the statewide average price for propane is **based on a use of at least 900 gallons a year**. Households using propane just for cooking or hot water generally pay a higher per gallon price. The table above provides current Maine cash prices in dollars rounded to the nearest penny.